

Perspectives

FOR ACTIVE
MEMBERS
OF THE
NORTH DAKOTA
PUBLIC
EMPLOYEES
RETIREMENT
SYSTEM

SUMMER 2007 • VOLUME 30, NUMBER 2

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Arvy Smith

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Members Elected:

Mike Sandal, Howard G. Sage,

Joan Ehrhardt, Ron Leingang

Sparb Collins

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Kathy M. Allen

Editor

Retiring in 2007?

Here's What You Need to Know

The following proposed legislation was submitted for the 60th Session and was passed and signed by the governor. Both bills will become effective August 1, 2007.

Supplemental Benefit Payment

Senate Bill 2044 provides that if the NDPERS board determines that the fund has obtained a total return on investments of 9.06% or higher for the fiscal year ending June 30, 2007, members that have retired on or before November 30, 2007

will receive a one-time supplemental payment equal to 75% of their gross monthly benefit paid in January 2008. If the return as of June 30, 2007 is less than 9.06%, than the return as of June 30, 2008 will be evaluated. The supplemental payment will be made in either year of the biennium, but not in both.

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iPod Winner Announced!

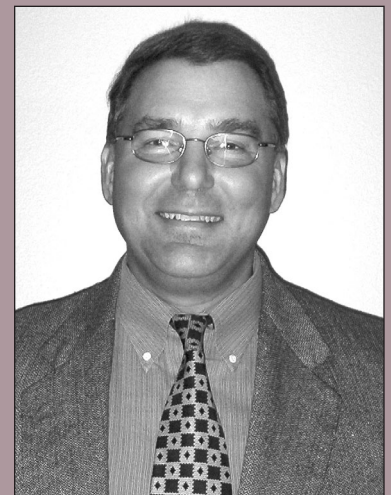
NDPERS is pleased to announce the winner of our "myHealth: Get your Health in Tune" promotion. Congratulations to Robyn Throlson! Robin completed the health survey available on the Health Dialog website during the month of March. Through this completion, Robyn's name was entered and selected in a random drawing to determine our winner!

Congratulations, Robyn!

Mike Sandal Elected to the Board

Mike Sandal was elected to a five-year term on the NDPERS Retirement Board. His term is effective July 1, 2007 and ends June 30, 2012. Mike is currently the Human Resource Director for the North Dakota Supreme Court. The following is a recap of the election results:

	VOTES
Dan Seymour	761
Mike Sandal	931
Invalid Ballots	33
Write-In Ballots	5
Received after Deadline	56
Total	1,786



Mike Sandal

2006-2007 Annual Statements

The 2006-2007 Annual Statement of Account for NDPERS active and deferred members will be mailed the first week of August.

An insert sheet called "Reading Your Annual Statement" will accompany each statement. This sheet navigates the reader through the annual statement and will address most general questions.

If you do not receive an annual statement by the middle of September, please check with the PERS office in case the statement was returned due to an incorrect address. Returned annual statements are sent to the member's employer for distribution. Any name or address change to employee records must be sent to PERS in writing. A Notice of Change SFN 10766 should be submitted to our office.

Also, if you need to update your beneficiary(ies), a Designation of Beneficiary for the Group Retirement Plan SFN 2560 and/or Life Insurance Designation of Beneficiary Change SFN 53855 must be completed.

If you misplace your annual statement, you may print a duplicate through NDPERS Online Benefit Services available on our web site at www.nd.gov/ndpers.

Retiring *Continued from page 1*

We are happy to report that as of June 30, 2007, PERS has surpassed the required 9.06% return. Therefore, members who have a retirement effective date on or before November 30, 2007 will receive the one-time supplemental payment, equal to 75% of their gross monthly benefit, paid in January 2008.

Retiree Health Insurance Credit (RHIC)

Senate Bill 2045 provides that as of August 1, 2007, spouses who both have earned a RHIC may combine their respective credits and apply it toward the premium for the NDPERS' group health insurance coverage.

Who is eligible for this provision?

1. Members and spouses receiving retirement benefits from the:
 - a. Defined Benefit Hybrid Retirement Plan
 - b. National Guard Retirement Plan
 - c. Law Enforcement Retirement Plan
 - d. Highway Patrol Retirement Plan
 - e. Judges Retirement Plan
 - f. Job Service Retirement Plan
 - g. Defined Contribution Retirement Plan

2. Surviving spouses receiving retirement benefits may be eligible to use the credit of a deceased spouse that was receiving benefits from one of the above referenced plans.

When are you eligible for this provision?

1. August 1, 2007
2. Upon completion of a "Request to Combine Retiree Health Insurance Credits SFN 58591". Any request received prior to the 15th of the month will be effective the first of the following month.

Can this option be cancelled at a later date?

Yes. However, you are responsible for notifying NDPERS if you want to elect or discontinue this option by completing a "Request to Cancel Combined Retiree Health Insurance Credits SFN 58592".

Under this option, can you add additional family members to your coverage?

No. The decision to combine credits is not a qualifying event that allows you to add additional eligible family members to your contract other than those already covered at the time of your election.

EAP Open Enrollment Completed

The NDPERS Employee Assistance Program (EAP) open enrollment for the 2007-2009 biennium is over. Each state agency chose one provider for its employees. This time, state agencies were able to choose from four EAP providers.

The EAP is a prepaid benefit for employees of state agencies and the university system. Therefore, services are provided at no cost to participants. The EAP is designed to provide special assistance in guidance and counseling and to determine appropriate diagnosis and/or course of treatment to employees and their eligible dependents in cases of stress, relationship problems, alcoholism, drug abuse and almost all other personal problems. This assistance is rendered for a specified number of visits and is conducted in a confidential manner. If necessary, the EAP is responsible for recommending further referrals to clinical or supportive organizations and medical professionals. They also conduct educational seminars and provide informational brochures at an employees or organizations request.

To see who your agency selected as your EAP provider, visit the NDPERS web site at: <http://www.nd.gov/ndpers/eap/eap-who.html>.

TOBACCO FREEDOM

*Quit for the last time.
One step at a time.*

*"The first step towards getting
somewhere is to decide that you
are not going to stay where you
are.*

-John Pierpont Morgan

If you are a smoker or tobacco user and want to quit, this program is for you.

The North Dakota Public Employees Retirement System has received a grant through the State Health Department to help state employees and their dependents age 18 and older quit smoking or chewing tobacco. The grant will help pay for participating in one of more than 20 approved smoking cessation programs. Most of these programs are available through public health departments across the state of North Dakota. This project is administered by Blue Cross Blue Shield of North Dakota.

Who is eligible?

All current state employees and employees of district health units and their dependents age 18 and older that are covered under the NDPERS health plan are eligible to participate. County, city and other members of the NDPERS group are not eligible through this project; however, smoking cessation funds may be available at the local level.

What will be provided?

An initial assessment will determine how ready you are to quit, your smoking or chewing triggers and what type of nicotine replacement therapy, such as patches or gum, and/or prescription medication you may need. If prescription medication is recommended, you will need to visit your doctor.

In addition, individual, group or telephone counseling will be provided. Your program provider will call you on a quarterly basis to monitor your progress the first year after you quit.

How long do the programs take?

Most of the approved programs are eight weeks.

How do I get started?

You may start anytime during the enrollment period: July 1, 2007 to April 30, 2009.



Grant money will reimburse the smoking cessation provider \$200 after you complete the eight-week program. This covers the initial assessment, counseling and follow-up. If you decide to try the North Dakota Quitline, the program will reimburse you for the office visit, if you need to make one, and your prescription and over-the-counter medications.

The program will pay 100 percent of your out-of-pocket expenses for your office visit and prescription and over-the-counter medication up to \$500, for a total benefit of \$700 (see chart below). The program will end April 30, 2009.

Smoking Cessation Counseling:	\$200
Office Visit & Prescription drugs (including Chantix) and over-the-counter medications:	100% up to \$500
Total	\$700

The program provider may charge additional fees for counseling services. Ask your program provider for details prior to enrolling.

Who do I contact to enroll or if I have questions?

Contact BCBSND at 1-800-223-1704 or (701) 282-1400 if calling from the Fargo area.

How do I enroll?

Find a provider in your area by visiting <https://www.bcbsnd.com/ehealth/ndpersquit/providers.html>. When you make your initial visit to the cessation program in your area, please contact BCBSND with your enrollment information at the phone number listed above. Once eligibility is verified, you will then receive a smoking cessation program identification card to use when you visit your doctor and when you buy

The hardest thing to do just got easier...

medications. ***Be sure to show this identification card to your health care professional.***

- Your doctor should submit the office visit claim to the address shown on the back of the identification card.
- Prescription and over-the-counter medications will require payment at the pharmacy. Keep your receipts and send them to BCBSND at the address shown on the back of the identification card.

If you choose to enroll in the Quitline cessation program, please call BCBSND at the phone number listed above. Eligibility for the program will be verified and a smoking cessation identification card will be sent to you. Use the identification card when you purchase medications.

Take the first step to a tobacco-free life. Go to: www.bcbsnd.com/ehealth/ndpersquit or call 1-800-223-1704 or (701) 282-1400 if calling from the Fargo area

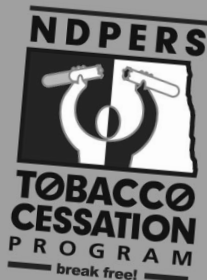
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**Take the first step
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counseling. Learn more at
www.bcbsnd.com/ehealth/ndpersquit
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Securing Your Future Financial Security

Don't Delay ... Start Today!

Have you recently received a salary increase? Well, congratulations. You deserve it! Why not take that increase and reward yourself by putting all or part of the increase into a supplemental retirement savings plan such as the NDPERS 457 deferred compensation plan.

Having a supplemental retirement savings plan is a vital key to a secure financial future when you retire. To reinforce the overall importance of saving money, it is important to offer employees options, benefits, and motivation to encourage enrollment in a supplemental retirement savings plan. The NDPERS 457 Deferred Compensation Plan has these features and offers the following:

- There are 11 different provider companies comprising more than 250 investment fund options,
- The benefit of pretax contributions,
- The benefit of convenient payroll deductions,
- The benefit of automatic enrollment in the Portability Enhancement Provision (PEP),
- A Saver's Credit,
- Convenience of an expedited enrollment option,
- The option to rollover/transfer funds to consolidate savings from other eligible retirement plans,
- The option to use funds to purchase service credit, and
- The option to defer lump sum payments for accrued annual and sick leave.

Selecting a Provider Company

You can obtain information about the eligible deferred compensation plan provider companies and investment choices by accessing the PERS web site at www.nd.gov/ndpers and selecting 'Active Members' and then 'Deferred Compensation Plan'. The Investment Options Summary book will provide you with details about the eligible provider companies, their investment options, annual expense fees, and the historical rates of return. Also included is a list of agents authorized to assist you with enrollment and your investment

allocations. Enrollment forms, links to provider home pages, and other investment information is also available at this site.

Pretax Contributions

The program permits you to defer a portion of your salary on a pretax basis through convenient payroll deductions. You can't miss what you don't see. The amount deferred to your investment account and the income or gains on those investments are not taxable until you begin to withdraw money from the account, which is usually at retirement.

PEP Participation

When you enroll in the deferred comp plan you are automatically enrolled in PEP. PEP allows you to vest in up to 4.00% of the employer contribution paid into the defined benefit retirement plan pool of funds and have this vesting percentage credited to your individual member account in the defined benefit plan. For every dollar you put in the deferred compensation plan, NDPERS will add one dollar to your member account balance up to the vesting maximum of 4%. This can significantly increase the amount of money available in your member account if you choose to "cash in" your retirement account, or roll it over into another pension plan when your North Dakota public service ends. Detailed information about PEP is available on the NDPERS web site at www.nd.gov/ndpers.

Saver's Credit

A Saver's Credit is a tax credit that can help offset the cost of the first \$2,000 you voluntarily contribute to a 457 deferred

compensation account. It applies to incomes up to \$25,000 (\$37,500 for head of household) and married couples with incomes up to \$50,000. The credit is the percentage of the qualifying contribution amount, providing the highest rate for taxpayers with the least income, as shown in the table at the bottom of the page.

Expedited Enrollment Option

We have designed our plan to make saving as convenient as possible by providing an expedited enrollment option. The expedited enrollment does not require you to make a decision regarding the amount of contribution, investment allocation, or selecting a provider company and agent. Just complete the Expedited 457 Deferred Compensation Plan and PEP Enrollment Form, SFN 54362 and you will automatically be enrolled for the minimum contribution of \$25 a month which will be invested with the NDPERS Companion Plan in the Fidelity Freedom Funds. The Companion Plan is a PERS trust fund and the PERS Board selects and monitors the investments offered under this plan. Information on these funds may be found on the previously referenced NDPERS web site by selecting the NDPERS Companion Plan. You may also contact a Fidelity representative direct at 1-800-343-0860 to assist you and to explain other investments options.

Rollover/Transfer of Funds

The rollover/transfer options allow you to consolidate retirement funds from other sources. The NDPERS deferred compensation plan accepts a rollover of pretax funds from other eligible retirement

Continued on page 6

Credit Rate	Income: Married, joint	Income: head of Household	Income: Others
50%	up to \$30,000	up to \$22,500	up to \$15,000
20%	\$30,001 – 32,500	\$22,501 – 24,375	\$15,001 – 16,250
10%	\$32,501 – 50,000	\$24,376 – 37,500	\$16,251 – 25,000

The Saver's Credit can be used in addition to other tax benefit that may result from retirement contributions.

Future Financial Security *Continued from page 5*

plans including the 401(a), 401(k), 401(c) Keogh, 403(b), 457(b), FERS and IRAs. Plan to plan transfers are also allowed between eligible providers participating in the NDPERS deferred compensation plan. A rollover/transfer is a trustee to trustee transaction and is not a taxable event.

To initiate a rollover or plan to plan transfer of funds, just complete the NDPERS Rollover/Transfer form, SFN 50177. The form is available from the NDPERS web site.

Purchase of Service Credit

Purchase of service allows you to use eligible pretax monies from qualified plans to buy service in the 401(a) defined benefit retirement plan. Because the State's deferred compensation is a qualified plan, you may rollover/transfer these funds to purchase service credit. The transfer of funds from the 457(b) deferred comp plan to the defined benefit retirement plan is not a taxable event. Plan to plan transfers for the purchase of service credit is also

accepted from 401(a), 401(k), 401(c) Keogh, 403(b), 457(b), FERS and IRAs. When purchasing service using a rollover/transfer of funds, you must complete SFN 52059 Rollover/Transfer Request for Service Credit Purchases form. The form is available from the NDPERS office.

Deferral of Annual and Sick Leave

Deferral to a deferred compensation account of employer lump sum payments for accrued annual and sick leave at termination is becoming increasingly appealing as a means to defer the high taxation of these payments. The NDPERS Participant Agreement for Salary Reduction, SFN 3803 form is used to authorize this deferral and is available on the previously referenced web site. To be effective the form must be completed and signed in the month

prior to the month in which you terminate employment. The lump sum deferral in combination with the deferrals made calendar year-to-date cannot exceed the maximum limit set by the IRS for the year.

Secure your Financial Future by Planning Today

As you can see, the benefits of participating in the deferred compensation plan are numerous. You have an outstanding array of choices that provide you with the ability to increase your member account balance in the defined benefit retirement plan, the convenience of pretax payroll deductions an expedited enrollment option, flexibility to consolidate plans, as well as several tax advantages.

Don't delay, start today on the road to a secure financial future.

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